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News from State Auditor Ed Hatchett's Office

Hatchett Releases Audit of Pike County Sheriff's Office

(Frankfort) State Auditor Ed Hatchett today released his audit of the 1997 financial statements of Pike County Sheriff Charles "Fuzzy" Keesee. As Auditor of Public Accounts, Hatchett is responsible for auditing the accounts and financial transactions of Kentucky's county governments and state agencies. State law requires the Auditor to conduct annual audits of county clerks and sheriffs.

The Sheriff's responsibilities include collecting real estate taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The Sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The audit contains the following comments:

- Sheriff Keesee did not comply with federal law 12 U.S.C.A. § 1823(e), which requires all taxpayer deposits be protected by an enforceable and perfected security interest.
- Sheriff Keesee violated KRS 64.850 when \$3,000 of official receipts were expended for non-operating expenditures.
- The audit report identifies four (4) internal control deficiencies, which rise to the level of reportable conditions and material weaknesses. The deficiencies are as follows:
 - 1). Sheriff Keesee has a lack of adequate segregation of duties.
 - 2). Sheriff Keesee should follow internal control procedures
 - 3). Sheriff Keesee should record and deposit all taxpayer receipts.
 - 4). Sheriff Keesee should have avoided the \$12,298 deficit in his local fee bank account.

Please refer to pages 11-14 of the attached audit report for details regarding audit findings and responses offered by Sheriff Keesee.